

**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on

Tuesday, January 23, 2007
1001 I Street - Second Floor
Sierra Hearing Room
Sacramento, California 95814

Chairman Edward Heidig called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 2:00 p.m.

1. Roll Call.

Edward Heidig represented the Acting Secretary of the Business, Transportation and Housing Agency.

Paul Rosenstiel represented the State Treasurer.

Rosario Marin, Secretary of the State and Consumer Services Agency was present.

Molly Arnold represented the Director of the Department of Finance.

D. Everett Rice, Governor's appointee was present.

2. Executive Director's Report.

Executive Director Stan Hazelroth introduced Diane Cummings, who will be heading up the Infrastructure State Revolving Fund Program, effective February 1, 2007. Mr. Hazelroth informed the members that there would be a special Board meeting held on February 9, 2007, to consider adoption of a resolution to authorize the execution of a sale agreement and related matters in conjunction with the issuance of tobacco settlement asset-backed bonds. Ms. Marin asked that staff apprise her of past tobacco transactions prior to the February 9th meeting.

Consent Items.

3. Approve minutes from the December 12, 2006 meeting.

Chairman Heidig asked if there were any corrections or additions to the minutes. There being none, he entertained a motion to approve the consent item. Ms. Marin moved to approve the minutes and Mr. Rosenstiel seconded the motion. The minutes were unanimously approved.

Action Items.

4. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) refunding revenue bonds for the India Community Center, or a related party (Milpitas) for an amount not to exceed \$20,100,000.

Ms. Barbara Lewis presented a staff report and introduced Ms. Chitra Vivek, Executive Director, India Community Center, and Doug Brown, Underwriter, Banc of America Securities LLC. Chairman Heidig requested and did not receive any questions from either the board members or

those present. Chairman Heidig entertained a motion to approve Resolution No. 07-01. Ms. Marin moved to approve the resolution and Ms. Arnold seconded the motion. The resolution was unanimously approved.

5. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for the Sonoma Academy, or a related party (Santa Rosa) for an amount not to exceed \$34,000,000.

Ms. Barbara Lewis presented a staff report on the project and the financing. Ms. Lewis indicated that the project financing amount was recently increased by \$2 million, which will require a second TEFRA hearing prior to the sale of the bonds to be held on January 31, 2007. Ms. Lewis then introduced Mr. Ken Fitzsimmons, Member of the Sonoma Academy Board and its Finance Chair, Ms. Derice Hogle, Sonoma Academy Director of Finance and Operations, Daniel Bronfman, Financial Advisor with Growth Capital Associates, Inc. and Sam Balisy, Bond Counsel with Kutak Rock. There were no comments or questions from those present in response to a request from Chairman Heidig. Ms. Marin inquired as to how the \$2 million increased financing amount would be utilized. Mr. Fitzsimmons replied that the building costs had not been finalized at the time of their original application, and that the increased amount was needed to address higher than estimated construction costs. Mr. Hazelroth responded to a question from Mr. Heidig and confirmed that the percentage of the I-Bank's bond portfolio associated with private schools and educational facilities financings is small. There being no further questions, Chairman Heidig entertained a motion to approve Resolution No. 07-02. Ms. Marin moved to approve the resolution and Ms. Arnold seconded the motion. The resolution was unanimously approved.

Other Business. Chairman Heidig called for any other business. There was none.

Public Comment. Chairman Heidig called for any public comment. There was none.

Adjournment. Chairman Heidig adjourned the meeting at approximately 2:20 p.m.